



October 12, 2007

Sharyn Johnson  
Johnson Design Associates, Inc.  
DUXIANA  
901 A Street  
San Rafael, CA 94901

**VIA Fax and Overnight Mail**

Dear Sharyn:

All terms defined in your Duxiana Licensing and Marketing Agreement (the "License Agreement") shall have their defined meanings in this letter.

It has been brought to my attention that you used a post card advertisement created by you for your fall promotion without consulting with us. Your actions violated the License Agreement in the following respects:

- You failed to obtain the Company's prior review and approval of your postcard as required by Sections 3.3 and 8.3.
- You violated Section 8.3 by having used promotional or advertising materials or text which the Company had not approved.
- You failed to use the Trademarks "only with standard mark (an encircled R) adjacent thereto" as required by Section 3.3.

The provisions you violated are intended to protect the integrity of our Trademarks and our trade names, which are the Company's most important intellectual properties. Your conduct constituted a material breach of the License Agreement. Accordingly, without prejudice to any other rights we may have, we hereby give you notice of termination of the License Agreement under Section 15.2(a) for having committed an incurable default. As provided in Section 15.2 the termination shall be effective sixty (60) days after the date of this Letter, which is being sent to you by telefax and confirmed by mail.

Please direct all future communications regarding this manner to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Bo Gustafsson", followed by a long horizontal line.

Bo Gustafsson  
President